questing for early implementation of the recommendations made by the Inter-Ministerial Committee appointed by the Textiles Ministry on the 3rd September 1992 in the Chambers of the Finance Minister;

(b) what are the recommendations made by the Inter-Ministerial Committee concerning the Finance Ministry; and

(c) whether any representation has been made to Finance Minister to arrange a meeting to consider the recommendations and come to conclusions to help the handloom industry in deep distress, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) A letter has been received from the Hon'ble Member of Parliament seeking a meeting with the Finance Minister regarding the implementation of the recommendations of the Inter-Ministerial Committee appointed by the Ministry of Textiles.

(b) The recommendations made by the Inter-Ministerial Committee concerning the Ministry of Finance relate to (i) channelising credit to the primary weavers cooperative societies through the nationalised banks instead of through District Central Cooperative Banks, (ii) identifying ways of augmenting credit to handloom weavers through Small Industrial Development Bank of India (SIDBI), (iii) reduction of excise duty on dyes and chemicals, (iv) implementation of concessional duty for polyester filament yarn and (v) ways, and means for improving the collection of excise duty from de-centralised powerloom sector and processing houses.

These recommendations are being examined.

Evasion of excise duty on textiles

7565 SHRI PRAGADA KOTAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether representations have been received by the Ministry of Finance that there has been large scale evasion of excise duties on textiles resulting in loss of revenue of over Rs. 1400 crores per year and the action taken thereon.

(b) whether an alternative method of collecting duties on mill and powerloom cloth is examined to avoid evasion and collect duties on the total cloth produced in mills and on powerlooms outside the mills; and

(c) whether there is a proposal with Government to levy compounded duty on looms run by power on the production capacity of each variety of looms in mills and outside?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. A representation inter-alia alleging evasion of excise duty has been received. The representation refers to not only revenue losses on account of evation but also on account of several concessions granted such as concessions for processes undertaken by tiny and small processoors. The representation sought review of these exemptions.

Exemptions are granted in public interest, they cannot be equated with evasion.

Government is aware that processed textiles are prone to evasion. Evasion being a clandestine activity cannot be quantified. Collectors of Central Excise and Director General of Anti-Evasion are keeping a close watch, as directed, on processing units and have increased anti-evasion measures in respect of these units. Further, in the recent Budget the Government has also extended the penal provisions of Central Excises and Salt Act, 1994 to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 as a measure to strengthen the anti-evasion machinery.

(b) and (c) At present there is no proposal to levy excise duty on grey cloth or to change the mode of levy of duty on processed cloth to a com-